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SUBJECT: UKRAINE: RADA MAJORITY COALITION TALKS RESUME;  
SOCIALIST NEGOTIATOR VINSKY'S TAKE ON PROGRESS AND PROSPECTS

REF: A. KIEV 1540

[1](#)B. KIEV 1081

Classified By: Ambassador, reason 1.4 (b,d)

[1](#)1. (C) Summary: After a ten-day hiatus, coalition negotiations between President Yushchenko's Our Ukraine, the Yuliya Tymoshenko Bloc (BYuT) and the Socialists resumed April 25, deputy Socialist Party leader Iosyp Vinsky told Ambassador April 27. Our Ukraine's Roman Zvarych, Tymoshenko (standing in for her hospitalized deputy Turchynov), and Vinsky signed two documents: joint instructions to oblast and local party branches about formation of local coalitions, and a one-page description of the structure of a national coalition agreement. The former was required to stop the uncertainty and hemorrhaging of some local deputies to "non-democratic" parties, said Vinsky. The latter envisaged a preamble, a three-part policy section (basic principles of foreign and domestic policy, tasks for the coalition Cabinet of Ministers, and issues of disagreement between the three blocs and how to resolve them), a coalition rules and regulations section, and a section on division of government positions. Vinsky characterized the negotiations as complex and tough, but said they would be completed "if the political will to reach agreement exists; it all ultimately depends on one person -- Viktor Yushchenko." The negotiators were working to hammer out the full coalition agreement in time for a hoped-for May 17 opening of the new Rada.

[1](#)2. (C) Vinsky said the biggest obstacle to agreement was the lack of a clear decision making structure in Our Ukraine, which he said was not a party but a group of individuals and interests around President Yushchenko. The Socialists strongly supported Tymoshenko as Prime Minister because they believed in the need to launch Ukraine's new parliamentary-presidential republic with a strong Prime Minister, and Tymoshenko was now arguably the country's most popular and dynamic politician; she had earned the right to lead. Ambassador underscored U.S. support for the formation of a reform-oriented Orange coalition, and the need for the parties involved to come to agreement, particularly on the details necessary to form a lasting, effective coalition. Comment: Vinsky's comments on the red-line issues identified by Yushchenko (NATO, land privatization, and privatization) confirm that deep policy differences remain, particularly between Our Ukraine and the Socialists. It is interesting as well that the Socialists continue to meet with Tymoshenko to agree on common positions before engaging Our Ukraine. It is welcome news that serious discussions have resumed. End summary and comment.

Slippage in a vacuum before getting back to work  
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[1](#)3. (SBU) Negotiators for the proposed "Coalition of Democratic Forces" (the "pink" Socialists asked that it not

be called an Orange coalition) had not met since signing the protocol of intent to form a coalition April 13, and the subsequent partial rejection of the protocol by the Our Ukraine party April 14 (ref A). In the interim, speculation built about Our Ukraine's true intentions, particularly after Our Ukraine paired with Party of Regions to announce a majority in the Zakarpattia Oblast Council, worked with Regions in a failed attempt to block the Tymoshenko bloc's nominee to become head of the Kiev Oblast Council, and backed out of announced plans to partner with BYuT and the Socialists in Chernivtsi and Vinnytsya oblast councils.

#### Joint instruction to local branches

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14. (C) Tymoshenko, Vinsky, and Zvarych resumed so-called "working group" meetings April 25 after the conclusion of the Orthodox Easter holidays, as promised by Our Ukraine Chair Roman Zvarych April 20. The Socialists in particular were concerned about developments in the provinces the previous two weeks, since uncertainty about the fate of the national coalition discussions had allowed "opposition" parties, particularly the Lytvyn bloc and Regions, to start poaching Socialists elected to district/local councils; the problem was particularly acute in Kirovohrad and Vinnytsya, said Vinsky.

15. (C) Vinsky confirmed press reports that he and his Tymoshenko and Our Ukraine bloc counterparts in the latest talks had signed a joint instruction to provincial/local party branches about forming local alliances between the three parties. He acknowledged that it would be impossible to undo all the damage from the past several weeks, but said that sending a clear signal of intent was important to stabilize the situation and move forward. Vinsky would meet

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with 800 local Socialist leaders May 1 to deliver the message in person; the bigger issue was whether Our Ukraine would take action. He claimed that certain Our Ukraine provincial factions controlled by Petro Poroshenko, such as in Vinnytsya and Zhytomyr, would likely not cooperate with BYuT and would continue to seek alliances with Regions and Lytvyn's bloc, the latter of which did not make it into the national Rada but did win seats in provincial and local councils.

#### Agreed structure for coalition agreement

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16. (C) The second achievement of the April 25 coalition talks was an unpublicized, signed one-page framework of a coalition agreement. The outline stipulated that the coalition agreement would include a preamble; a three-part policy section (basic principles of foreign and domestic policy, specific tasks for the coalition Cabinet of Ministers, and issues of disagreement between the three blocs); a rules and regulations section; and a section on division of government positions. Vinsky characterized the Rules section as "80% complete," adding that once Tymoshenko came up to speed after taking over from her deputy Turchynov (hospitalized with hepatitis, also dodging an arrest warrant for allegedly authorizing destruction of SBU files), that section could be finished relatively quickly. Vinsky would meet Tymoshenko later April 27 to reach agreement on the Rules section, since two-way sessions were more productive than three-way negotiations.

17. (C) The policy section was also "80% complete in technical terms," since the three parties had agreed that the basis would be Yushchenko's "Ten Steps for the People" campaign platform, the proposals Yushchenko as President had submitted to the Rada, and the program of the Tymoshenko government that had been passed by the Rada. On substantive terms, Vinsky allowed that the parties were only "50% in agreement," since major issues remained to be addressed, and both Our Ukraine and BYuT had proposed "adjustments." The

"disagreement" section would list the major issues on which the parties differed; the parties then needed to find a formula to unite behind a position, form a compromise, put the issue aside, or otherwise agree how to address it. Vinsky stated that agreeing on policy and rules regulating coalition formation was not just an issue of "boxing in" Tymoshenko; it was also about creating the basis of stable governance with checks and balances that Ukraine needed, including a role for the opposition.

Hoping to finish before the new Rada meets  
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¶8. (C) The negotiating process was very complicated, acknowledged Vinsky, but if the political will to seal the deal were there, the talks would succeed; it all depended on Yushchenko. The negotiators had set themselves a target of finishing the coalition document in time to send it to various party/bloc political councils for review/approval; the hope was to have it ready to sign on the first day of the new Rada. Vinsky claimed that since the Rada rules mandated a minimum of 20 days after the promulgation of official election results prior to the opening of the next Rada, the earliest possibly opening date was now May 17. (Note: After court delays brought by legal challenges to the March 26 election results, the official results were officially published in the April 27 editions of the government's and the Rada's official newspapers.) The Socialists were pushing Our Ukraine to open the Rada and form a government as soon as possible, because the country and democratic forces were the losers the longer the process of government formation lasted. Vinsky acknowledged that an influential group within Our Ukraine sought to delay the process as long as possible.

Dealing with Our Ukraine, Tymoshenko, not Regions  
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¶9. (C) The biggest obstacle to forward progress, claimed Vinsky, was the decision making structure in Our Ukraine. While Vinsky and Tymoshenko were fully empowered to make all decisions for their blocs/parties, Roman Bezsmertny and Zvarych had no such mandate. Even though the two Romans were in favor of the coalition, they knew they negotiated with second-guessers (comment: or worse, saboteurs) behind their back within Our Ukraine. Vinsky scoffed at characterizing Our Ukraine as a party, stating that it could better be called a group of individuals and interests clustered around Yushchenko.

¶10. (C) Vinsky declined to characterize either Yushchenko or Tymoshenko as a true democrat, adding that Yushchenko aspired instead to be the "good tsar." Yushchenko's handling of his

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family, his entourage, and his Sumy clique supported this assessment, Vinsky asserted. Vinsky claimed he had raised the matter with Yushchenko directly in early 2005, telling him, "If you are a democrat, then act like one, and choose people who will lead the country democratically, not the people who ran the campaign" (i.e., Poroshenko, Zhvaniya, Chervonenko, etc.). An infuriated Yushchenko did not respond and had not talked to him since, Vinsky said.

¶11. (C) The Socialists strongly supported Tymoshenko's claim to be Premier, stated Vinsky, because only she could be a real leader of a democratic coalition with the strong support of the Ukrainian people. Still, since her own commitment to cooperative approaches to governing was in question, it was important to come up with legal mechanisms and personnel agreements to curtail any concentration of power. However, in the new parliamentary-presidential republic which Ukraine had become since constitutional reform came into effect, Ukraine could not afford to have a weak politician or a technocrat as PM. Vinsky claimed that Tymoshenko's current popularity was likely over 30%, even greater than Yanukovich's; she might make mistakes, but she was the one to

lead Ukraine's government at this time. He had told Bezsmertny and Zvarych, "Look, either embrace her as PM now or watch her go into opposition and become President in 2009."

¶12. (C) The Socialists did not want to deal with Yanukovych and Regions -- even though their social policies coincided more closely than with those of Our Ukraine and BYuT, said Vinsky -- because Regions represented "Asia," authoritarianism, and Kuchmaism, all the things that the Socialists fought against. When the Socialists had backed Yushchenko in 2004, they had lost half their previous voter base and many local leaders, particularly in eastern Ukraine, but they had reconciled themselves to their six-percent base and were proud of their principles.

Still disagreement on NATO, land, privatization  
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¶13. (C) Vinsky's characterizations of Socialist positions on the red-line issues identified by Yushchenko as important to resolve -- NATO, land, and privatization/reprivatization -- indicated clear policy differences remain to be bridged (ref B). On NATO, an issue that Vinsky noted was not included in Yushchenko's campaign policy platform, the Socialists were for full cooperation but believed that membership was not for the President or the parties to decide; it was for the people of Ukraine via referendum.

¶14. (C) On land privatization, the Socialists would support sales of land as a normal form of property, with the notable exclusion of agricultural land, which Vinsky said comprised roughly 50% of Ukraine. There needed to be greater definition and clarity on the principles and procedures involved, a fundamental overhaul of agricultural sector policy, plus restrictions to ensure that speculators did not simply drive the process to the exclusion of farmers, before moving forward.

¶15. (C) On privatization, the Socialists could support privatization of enterprises but not of infrastructure or monopolies that served the people, since a monopoly in the hands of a rapacious businessman would be no better run than a state monopoly. Under this rationale, the Socialists opposed privatization of UkrTeleKom. However, the Socialists were also against monopolies; the way forward was to open up the sector, grant additional licenses, and let market competition improve service and quality.

¶16. (U) Visit Embassy Kiev's classified website at [www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).  
Herbst